

MINUTES

LCWSD BOARD OF DIRECTORS MEETING

DECEMBER 21, 2016

PRESENT: President Marc Liechti, Directors Jack Thomson, Rex Niles, and Jim Heim, and employees Rodney Olson, General Manager, and Beth Dotson, Secretary

ABSENT: Roxanne Wadman

President Liechti called the meeting to order at 2:00 p.m.

AGENDA: A motion was made by Director Thomson to accept the agenda. Director Niles seconded and motion carried.

APPROVAL OF MINUTES: The Minutes of the October 18, 2016 Board meeting were reviewed. A motion was made by Director Niles to accept these Minutes. Director Heim seconded and motion carried.

VISITORS: Justin Ahmann, APEC Engineering

FINANCIAL REPORT

The Combined Balance Sheet shows current assets at \$2,142,261.88, fixed assets at \$9,101,957.29, total liabilities at \$797,872.11, and total equity at \$10,465,335.18 for a total liabilities and equity balance of \$11,263,207.29.

The Summarized Income Statement shows total revenue for water through November 2016 to be \$123,681.29 (48% of budget), expenses to be \$161,110.88 (39% of budget), and total other revenue to be \$16,843.31 (59% of budget) resulting in net income of \$-20,586.28.

The Summarized Income Statement shows total revenue for sewer through November 2016 to be \$208,128.96 (43% of budget), expenses to be \$217,761.38 (35% of budget), and total other revenue to be \$155,802.57 (93% of budget) resulting in net income of \$146,170.15

A Comparison to Prior Year Income Statement was presented. Total Revenues for November 2016 were \$59,061.67 compared to \$51,734.70 for the same period in 2015. Total expenses for November 2016 were 57,471.15 compared to \$68,731.82 in 2015. Net income from operations was \$1,590.52 in November 2016 compared to \$-16,997.12 in 2015. Total other revenue was \$13,643.56 in November 2016 compared to \$19,282.72 in 2015. Net income for November 2016 was \$15,234.08 compared to \$2,285.60 in 2015.

The Cash Report shows the November 2016 ending checking account balance for water to be \$32,480.75 and sewer to be \$25,498.41.

A motion was made by Director Niles to approve the financial report. Director Thomson seconded and motion carried.

BILL APPROVAL: Accounts payable for November were reviewed. Expenses of note included:

- Viking Pump – South 80 Well Test
- Tire Rama – winter tires
- Kaski, James – Marco Bay Developer
- Core Water Consulting – Mission View Water Rights
- Russell Industries – Best View/L/S 1A (services pumps)
- APEC Engineering – South 80 and L/S 6 and 7

The Capital One credit card statements for October and November were also reviewed.

DELINQUENT REPORT: Progress continues in collecting payment from delinquent accounts.

OLD BUSINESS:

South Eighty Water System – APEC Engineering is working on final design. All test samples came back good.

Spurwing Creekside – Greg Pisk requested a “will serve letter”. Rodney Olson, LCWSD General Manager, met with Greg Pisk and Larsen Engineering to discuss. Spurwing Creekside would be serviced from the Troutbeck water system. Total estimated cost of project is \$342,200. LCWSD has already expended \$100,000 to straighten out the water right place of use and will contribute another \$90,000 toward the project. LCWSD will also provide the finances to upgrade the telemetry and controls. Costs above and beyond this are the developer’s responsibility. Hookup fees would also be increased \$1981.00 for each lot to pay for a future water tank.

Board directed a “will serve letter” be sent to Mr. Pisk outlining these requirements.

Shelter Cove Water Pressure – Three pressure relief valves (PRVs) used to control water pressure from the tank were not working properly. Staff rebuilt the PRVs. A rep from GC Systems provided training on adjusting the valves correctly. To provide adequate pressure to customers on Shelter Cove, five existing homes in Spurwing/Troutbeck would need to have PRVs installed. Future homes in Spurwing would also require a PRV. Board unanimously approved installing the five new PRVs.

Lift Stations 6 and 7 – L/S 6 is located at the bottom of Mission View Terrace and pumps up to L/S 7 and from there to the main line. APEC Engineering evaluated the possibility of eliminating L/S 7 and pumping from L/S 6 directly to the main line. Justin Ahmann, APEC Engineering, made the following suggestions to bypass L/S 7.

- Two new 35-HP pumps (175 gpm each) would need to be installed in L/S 6.
- Move generator building from L/S 4 to L/S 6.
- Wet well at L/S 7 would become a manhole.
- Valve vault at L/S 7 would be eliminated.

If LCWSD proceeds with this project, it was suggested that an old water line be replaced at the same time as the area would be opened up to install the new sewer line. Total cost of the project is estimated at \$218,250.12.

A motion was made by Director Niles to proceed with eliminating L/S 7 and have L/S 6 pump directly to the main line. Director Thomson, seconded and motion carried.

Cherry View Water Rights – A customer has purchased property adjacent to Sunnyslope (north of Mission View Terrace). Customer has requested a “will serve letter” for providing water and sewer service. A main line extension for both water and sewer would be required. There are currently five water rights in Mission View. DNRC and DEQ were contacted regarding this extension and the water rights. They would like to bring all the water rights together. DNRC must approve place of use water right. With the water rights in place and extensions to both water and sewer main lines, LCWSD could service an additional 31 homes. Estimated cost to bring the water rights forward is \$5,000.

A motion was made by Director Heim to have Core Consulting complete bringing the five water rights together. Director Niles seconded, and the motion carried.

A motion was made by Director Thomson to provide a “will serve letter” to customer with the contingency that the water right is approved. Director Niles seconded, and the motion carried.

Inside District

New hookups

- 310 South Eighty Drive
- 130 Stoner Creek Road (Pleasant Grove Mobile Home Park) – meter installation only

NEW BUSINESS:

Altenburg lease was renewed for three (3) years.

L/S 1A was run into damaging both exterior and interior. Insurance carrier has been contacted and bids for repair have been requested.

MISCELLANEOUS

Staff – Cheyenne is doing well after hip replacement surgery.

Christmas Bonus – Board approved staff bonuses of \$500.00 for each full time employee, \$250.00 for part time employee, and \$600.00 for manager.

Montana Rural Water Convention – Convention is scheduled for February 22, 23, and 24, 2017. Rooms have been reserved at the Hilton Garden Inn.

The meeting adjourned at 4:05 p.m.

Respectfully submitted,

Beth Dotson, Secretary

(NEXT MEETING DATE IS TUESDAY, JANUARY 17, 2016)